

**CITY OF LODI**  
**INFORMAL INFORMATIONAL MEETING**  
**"SHIRTSLEEVE" SESSION**  
**CARNEGIE FORUM, 305 WEST PINE STREET**  
**TUESDAY, JANUARY 10, 2006**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 10, 2006, commencing at 7:02 a.m.

**A. ROLL CALL**

Present: Council Members – Beckman, Hansen, Johnson, and Mayor Hitchcock

Absent: Council Members – Mounce

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

NOTE: The following items were discussed out of order.

**B. TOPIC(S)**

B-2 "Receive for informational purposes preliminary rating from Standard & Poor's for Electric Utility"

City Manager King noted that a "blue sheet" of Standard & Poor's rating of Lodi's Electric Utility had been distributed (filed).

Deputy City Manager Krueger reported that a proforma showing the basic working capital of the Electric Utility and the General Fund was provided to the rating agency. Standard & Poor's rated the Utility BBB+ with a "negative" outlook. Staff will be providing quarterly updates to rating agencies Fitch and Standard & Poor's.

Mayor Hitchcock read the following statement from the ratings document, *"Should the city fail to rebuild reserves or increase coverage of fixed charges, or should it experience any other unexpected adverse developments of a financial nature, the rating will be lowered."* She noted that electric rates were not increased enough to cover operational costs and questioned whether the rating agency recognized it.

Mr. Krueger replied in the affirmative; however, the proforma showed that there would be reserves at the end of the year.

Mr. King recommended that a face to face meeting with the rating agencies occur in early March and suggested that two Council Members, along with staff, attend. The meeting would take place in New York where there is an opportunity to meet with senior analysts and committee members.

Interim Electric Utility Director Dockham outlined the following risks associated with a reduction in rating:

- Counter parties might not want to enter into a forward purchase transaction;
- The City might have to pay more for participation in projects, due to credit concerns;
- The City could be required to purchase insurance on the bonds if the credit rating were lowered further; and
- Some entities might require the City to post collateral before making a sale.

Council Member Beckman asked staff to report back with comparative information on what amounts other Northern California Power Agency member cities transfer to their general funds. Mr. Beckman offered to attend the rating agency meeting to clarify that he voted against the electric rate increase for procedural, rather than substantive, reasons.

Council Member Hansen and Mayor Pro Tempore Johnson expressed an interest in attending the rating agency meeting.

B-1 "Review of draft City Council Protocol Manual"

City Clerk Blackston reported that the purpose of the City Council Protocol Manual was to provide guidelines and references in one location regarding relevant statutory requirements and regulations governing responsibilities of the Council. Following its review, the Manual would be brought back to Council for approval at a regularly scheduled meeting. She noted that three exhibits were attached to the Manual: 1) Lodi Municipal Code Chapter 2.04, 2) Resolution 2004-282 regarding meeting rules, and 3) Resolution 2004-115 regarding the City of Lodi Code of Ethics and Values.

Mayor Hitchcock asked that Council receive a copy of the City's Administrative Policy and Procedure Manual. She mentioned that there has been a tradition that the Mayor meets with staff to review draft Council agendas and suggested that it be included in the Manual.

Referencing section 3.6a, Mayor Pro Tempore Johnson recommended that the adjournment (in memory of) announcement be made at the beginning of meetings when an audience is present, rather than at the conclusion.

Ms. Blackston stated that Resolution 2000-131 amended the Travel and Business Expense Policy and Procedures by adding the following statement:

*Budget Council Member expense accounts for a two-year period by prohibiting Council Members from exceeding the two-year budget total for their respective accounts. If a Council Member overspends one year, their account must be reduced by the amount overspent the following year, and in turn, if the Council Member under spends one year, that amount will be carried over to their second-year budget.*

Ms. Blackston noted that the amendment allowed for flexibility in instances where there were unexpected events/meetings, or when new Council Members or Mayors wished to attend additional training/conferences. Now that the City has changed from two-year budgets to a one-year budget, Resolution 2000-131 may be repealed or amended.

Council Member Beckman pointed out that there are five fiscal years encompassing the term of office for a Council Member and suggested that any amendment to the resolution take this into consideration, or allocate a certain amount to be used over a four-year period.

Mayor Pro Tempore Johnson and Council Member Hansen favored having the ability for Council to authorize additional expenses if warranted.

Mayor Hitchcock recommended that an additional amount be budgeted for Mayors and those serving on League of California Cities committees, which require attendance at numerous meetings.

Mayor Pro Tempore Johnson suggested that additional funding be allocated for special Mayoral representation, to which Mayor Hitchcock and Council Member Hansen expressed agreement and recommended an amount of \$500.

City Attorney Schwabauer reported that Assembly Bill 1234 (effective January 1, 2006) would require public officials to complete at least two hours of ethics training every two years and adopt an expense reimbursement policy.

In reference to section 4.5, Mayor Hitchcock commented that City Council appointee evaluations have taken place at various times throughout the year and recommended that a set time be selected.

Ms. Blackston suggested that March or April (prior to budget adoption) would be an appropriate time.

Council Member Hansen felt that new Council Members would not be prepared to evaluate an appointee until late in the year.

Ms. Blackston read the following statement from section 5.4, *"Members of the City Council should not attempt to influence or publicly criticize commission recommendations, or to influence or lobby individual commission members on any item under their consideration. It is important for commissions to be able to make objective recommendations to the City Council on items before them."*

Mr. King recalled that he and Council Member Hansen attended an American Public Power Association conference recently, at which energy commissioners from the city of Colton were quite vocal about their criticism of Colton's City Council. He suggested that language be included in the Protocol Manual that criticism of the City Council is not to be expressed outside the context of a commission meeting.

Mr. Schwabauer replied that he would have First Amendment concerns about drafting language as suggested by Mr. King.

Council Member Hansen was in favor of guidelines stating that if appointed commissioners have concerns about Council or its policies, the matter should be taken to the Council rather than verbalizing it at a public meeting.

Mayor Pro Tempore Johnson recommended that section 5.7, second paragraph, *"The positions taken by the appointed representative are to be in alignment with the positions that the Council has taken on issues that directly impact the City of Lodi"*, be added to section 5.3.

Council Member Beckman agreed that commission members should be supportive of adopted policies.

In reference to section 5.7, Council Member Hansen commented that, on the San Joaquin Council of Governments, there is not always time to ask for Council feedback prior to voting on a matter.

Mayor Pro Tempore Johnson mentioned that, in his service on the San Joaquin Partnership, he has declined to vote on an issue if the City Council has not yet taken a position on the matter. He expressed support for leaving the policy language as is.

Council Member Beckman also wished to leave the language as written regarding section 5.7.

NOTE: Discussion regarding the City Council Protocol Manual was continued to the Shirtsleeve Session of January 24, 2006.

**C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

*Continued January 10, 2006*

**D.     ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 8:32 a.m.

ATTEST:

Susan J. Blackston  
City Clerk